

ORDER ADOPTING CHANGES TO  
REGULATIONS OF THE DEPARTMENT OF COMMERCE, COMMUNITY,  
AND ECONOMIC DEVELOPMENT

The attached eight pages of regulations, dealing with library construction and major expansion matching grant program, are adopted and certified to be a correct copy of the regulation changes that the Department of Commerce, Community, and Economic Development adopts under the authority of AS 44.33.020 and after compliance with the Administrative Procedure Act (AS 44.62), specifically including notice under AS 44.62.190 and 44.62.200 and opportunity for public comment under AS 44.62.210.

This action is not expected to require an increased appropriation.

In considering public comments, the Department of Commerce, Community, and Economic Development paid special attention to the cost to private persons of the regulatory action being taken. (No written public comments were submitted.)

The regulation changes adopted under this order take effect on the 30th day after they have been filed by the Lieutenant Governor, as provided in AS 44.62.180.

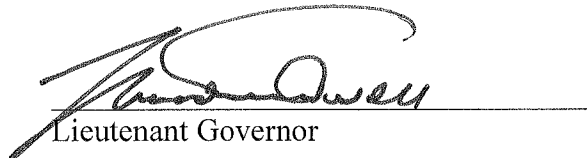
DATE: Oct. 3, 2011  
Juneau, Alaska



Crystal Koeneman, Legislative Liaison  
Office of the Commissioner  
Department of Commerce, Community, and  
Economic Development

FILING CERTIFICATION

I, Mead Treadwell, Lieutenant Governor for the State of Alaska, certify that on October 6, 2011, at 10 a. m., I filed the attached regulations according to the provisions of AS 44.62.040 - 44.62.120.

  
Lieutenant Governor

Effective: November 5, 2011

Register: 200, January 2011

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3 AAC 198.020 is amended to read:

**3 AAC 198.020. Uses of grant.** An eligible applicant that receives a grant under this section

(1) shall use the grant to

(A) construct a new public library; or

(B) make a major expansion, **including associated renovations,** to an existing public library;

(2) may not use the grant for

(A) costs of ordinary maintenance and operating expenses of a public library;

(B) equipment or furnishings that are not part of the construction or major expansion of a public library; or

(C) other purposes not authorized under AS 14.56.355 and 14.56.356.

(Eff. 1/1/2010, Register 192; am 11 / 5 / 2011, Register 200)

**Authority:** AS 14.56.355 AS 14.56.356

3 AAC 198.040(b) is amended to read:

(b) For purposes of AS 14.56.355(c) and this section, the total proposed grant project costs for a public library that is combined with a municipal or other community facility includes only those costs that are attributable, as determined by the department, to uses relating to construction, **or major expansion, including associated renovations,** of a public library within

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the proposed combined facility. (Eff. 1/1/2010, Register 192; am 11 / 5 / 2011, Register 200)

**Authority:** AS 14.56.355 AS 14.56.356

3 AAC 198.050(b) is amended to read:

(b) The local match may be in the form of

(1) money; [IF THE APPLICANT IS A GOVERNMENTAL ENTITY, THE MONEY MUST COME FROM UNRESTRICTED LOCALLY GENERATED REVENUE OF THE APPLICANT;]

(2) land; or

(3) services. (Eff. 1/1/2010, Register 192; am 11 / 5 / 2011, Register 200)

**Authority:** AS 14.56.355 AS 14.56.356

3 AAC 198.060(b) is amended to read:

(b) The application must include

(1) a detailed study outlining **how** the library space needs of the community and library service area in which the project will be **or has been** constructed **will be met for at least the 10 year period following the date of application** [, WITH PROJECTIONS FOR USE OF THE FACILITY FOR A PERIOD OF NOT LESS THAN 20 YEARS];

(2) a detailed description of the project, the associated costs of the project, and

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the funding sources that will support construction of the project and the operation and maintenance of the public library after construction; and

(3) assurances that

(A) the applicant will provide the local match required by AS 14.56.356 and 3 AAC 198.050; [AND]

(B) ownership of a public library to be constructed or to undergo a major expansion with money received under the grant will conform to the requirements of AS 14.56.356 and this chapter; and

(C) the new construction, or existing facility, including the expansion, will be primarily dedicated for use as a library for a period of not less than 20 years or the life of the building, whichever is less.

(Eff. 1/1/2010, Register 192; am 11 / 5 / 2011, Register 200)

**Authority:** AS 14.56.355 AS 14.56.356

3 AAC 198.070 is repealed and readopted to read:

**3 AAC 198.070. Preliminary proposal review.** The department will conduct a preliminary proposal review of an application to ensure the applicant meets the requirements of 3 AAC 198.060. At any time during the preliminary proposal review, the department may request additional information if the department considers the information necessary to complete the review of application. (Eff. 1/1/2010, Register 192; am 11 / 5 / 2011, Register 200)

**Authority:** AS 14.56.355 AS 14.56.356

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3 AAC 198.080 is amended to read:

**3 AAC 198.080. Standards for decision on grant application.** The department will make a decision on a grant application [OR AMENDED APPLICATION] for a grant under AS 14.56.355 and 14.56.356 and this chapter based on the

(1) compliance of the proposed project with minimum space requirements as follows:

...

(4) suitability of the proposed project to meet the library needs of the community for at least 10 [20] years;

...

(Eff. 1/1/2010, Register 192; am 11 / 5 / 2011, Register 200)

**Authority:** AS 14.56.355 AS 14.56.356

3 AAC 198.100 is repealed:

**3 AAC 198.100. Administrative hearing.** Repealed. (Eff. 1/1/2010, Register 192; repealed 11 / 5 / 2011, Register 200)

3 AAC 198 is amended by adding a new section to read:

**3 AAC 198.105. Decision; notification.** The department will issue a decision on the application and the award of any grant. The department will send a copy of the decision to the

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applicant. (Eff. 11 / 5 / 2011, Register 200 )

**Authority:** AS 14.56.355 AS 14.56.356

3 AAC 198 is amended by adding a new section to read:

**3 AAC 198.107. Reconsideration.** (a) No later than 10 days after receipt of the department's written notification under 3 AAC 198.105, the applicant may make a written request for reconsideration of all or part of the decision to the commissioner. The request must be in writing and must identify each part of the decision to which the applicant objects and clearly state each objection to the department's decision.

(b) No later than 15 days after receiving a request for reconsideration, the commissioner will review the request, the application, and any relevant supplemental material, and may issue a written decision. If a written decision is not issued during the 15 days after a request for reconsideration is received, the request is automatically denied. The commissioner's decision on a request for reconsideration is final.

(c) If the applicant fails to request reconsideration during the time set out in (a) of this section, the department's decision is final. (Eff. 11 / 5 / 2011, Register 200 )

**Authority:** AS 14.56.355 AS 14.56.356

3 AAC 198.110 is repealed and readopted to read:

**3 AAC 198.110. Acceptance of grant offer; grant conditions.** (a) Upon issuance of a final award determination under this chapter, the department and the applicant will develop a

grant agreement. A recipient of a final award determination does not have a vested right or other entitlement to a grant until a mutually acceptable definitive written agreement is negotiated and is executed by the department.

(b) In the grant agreement, the department will

(1) incorporate the project close-out requirements of 3 AAC 198.130 and the applicable audit requirements under 2 AAC 45.010;

(2) set out a payment schedule for the amount of the grant to be paid by the department under 3 AAC 198.040;

(3) include a statement of the rights and responsibilities of the department and the applicant regarding the proposed project;

(4) require the applicant to procure, maintain, and demonstrate liability, hazard, or workers' compensation insurance;

(5) designate required insurance policy limits; and

(6) require the applicant to provide assurances that the project, when constructed or expanded, will be operated as a public library for not less than 20 years or for the life of the building, whichever is less.

(c) During the term of a grant agreement, the applicant shall maintain and provide, at the department's request, all grant-related records, reports, invoices, documents, or other information required under the grant agreement.

(d) A grant agreement with a community or a corporation must be accompanied by a resolution sufficient to bind the applicant to the terms of the agreement. (Eff. 1/1/2010, Register

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192; am 11 / 5 / 2011, Register 200)

**Authority:** AS 14.56.355 AS 14.56.356

3 AAC 198.120 is repealed:

**3 AAC 198.120. Withheld money.** Repealed. (Eff. 1/1/2010, Register 192; repealed 11 / 5 / 2011, Register 200)

3 AAC 198.130 is repealed and readopted:

**3 AAC 198.130. Project close-out.** (a) In addition to complying with the applicable audit requirements under 2 AAC 45.010, the grantee shall file a final project report with the department when a project has been completed.

(b) The project report must include

- (1) a narrative report outlining the tasks associated with project completion;
- (2) a final financial progress report by the grantee of all receipts and expenditures for the project; and
- (3) the grantee's certification that all project expenditures conform to law.

(c) If the grantee fails to provide a final financial progress and narrative report as required under (b) of this section, the department will notify the grantee of the failure and give 30 days after the date of notification to comply with this section. If the grantee continues to fail to comply with this section, the department may require repayment of all or a portion of the grant that has been paid to the grantee for the project. (Eff. 1/1/2010, Register 192; am



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11 / 5 / 2011 , Register 200 )

**Authority:** AS 14.56.355 AS 14.56.356

3 AAC 198.140 is repealed:

**3 AAC 198.140. Grant program administration.** Repealed. (Eff. 1/1/2010, Register 192; repealed 11 / 5 / 2011 , Register 200 )